Fannie Mae

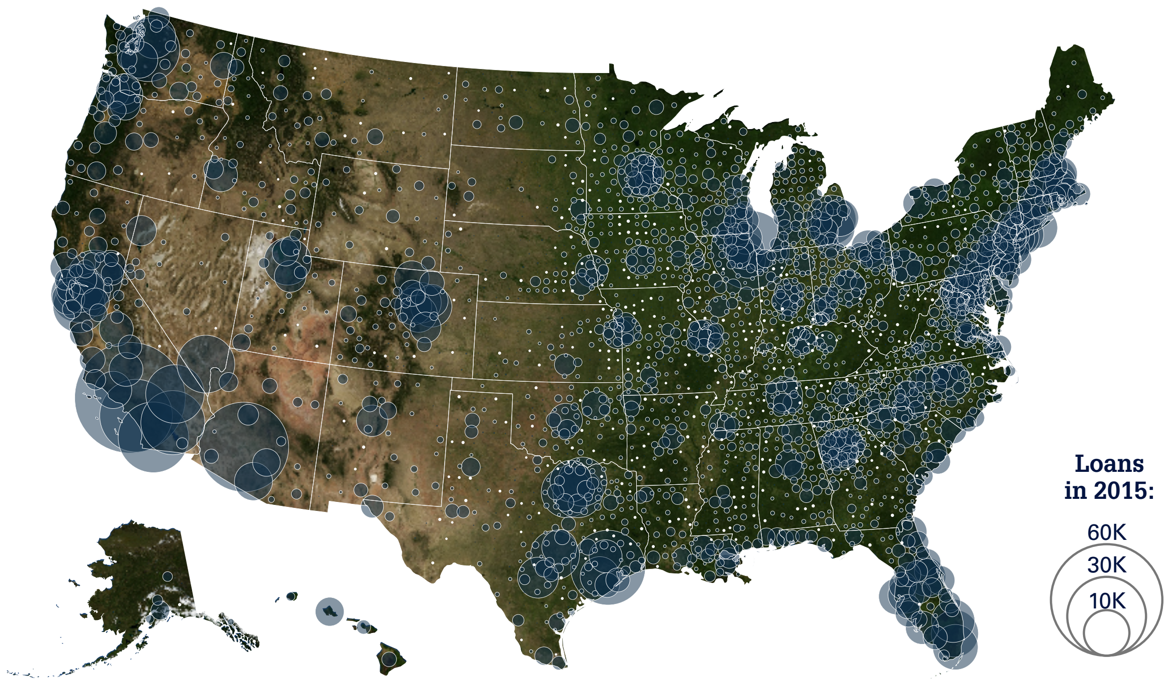
Progress Q3 2016

Data as of or through September 30, 2016 unless otherwise indicated.

Our vision is to be the nation's most valued housing partner. We serve the people who house America. We provide reliable, affordable mortgage financing in all markets at all times, buying loans that lenders originate so they can fund new loans. This gives more people the opportunity to buy, refinance, or rent homes. We do this while effectively managing and reducing risk to Fannie Mae's business, to taxpayers, and to the housing system.

Our Reach

We enable people to buy, refinance, and rent homes across the United States.



Our Priorities

Advance a sustainable and reliable business model that reduces risk to the housing finance system and taxpayers.

Provide reliable, large-scale access to affordable mortgage credit for qualified borrowers and help struggling homeowners.

Serve our customers' needs and improve the company's business efficiency.

Our Financial Results: Q3 2016

Net income

$3.2 BILLION

Comprehensive income

$3.0 BILLION

For more information, see our third quarter 2016 Form 10-Q Report, filed with the SEC on November 3, 2016.

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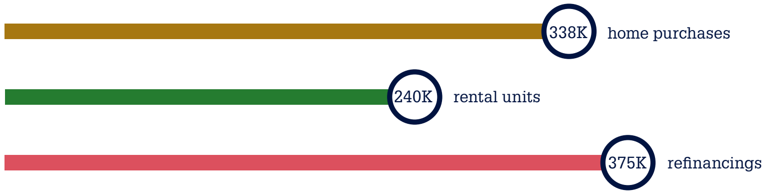
Liquidity and Support to the Market

$184B provided to the market in Q3 2016 enabled:



- Remained one of the largest issuers of single-family mortgage-related securities in the secondary market and a continuous source of liquidity in the multifamily market in the third quarter of 2016.
- Funded the mortgage market with approximately $184 billion in Q3 2016.
- Enabled Refi Plus™ refinancings in Q3 2016 that reduced borrowers' monthly mortgage payments by an average of $219.
- Remained focused on serving our customers' needs, implementing innovative tools that deliver greater value and certainty to lenders, and helping make predictable long-term fixed-rate mortgages, including the 30-year fixed-rate mortgage, a reality for families across the country.

Driving Down the Serious Delinquency (SDQ) Rate

- Our single-family SDQ rate has decreased for 26 consecutive quarters. At 1.24%, it is substantially lower than private market levels.
- Approximately 97 percent of Fannie Mae's 17.1 million single-family conventional loans are current.

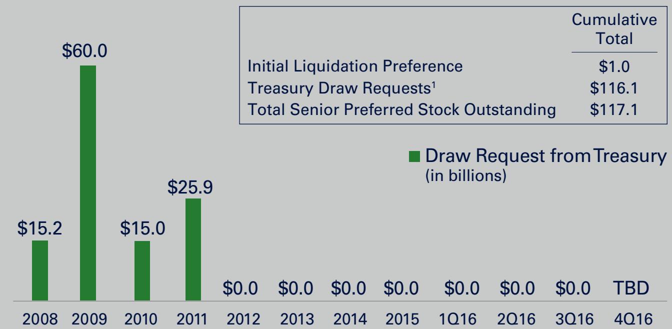
Data as of September 30, 2016

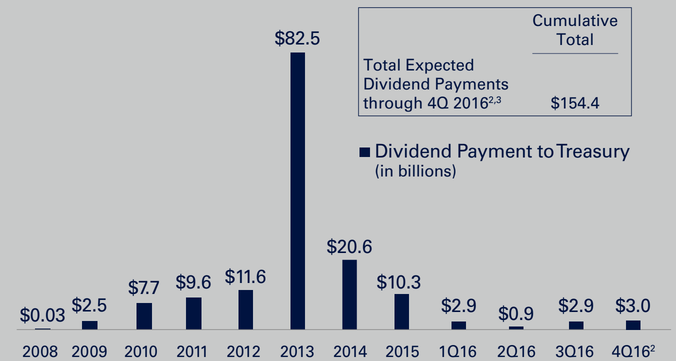
Transferring Credit Risk

- Through our credit risk transfer transactions we increase the role of private capital in the mortgage market and reduce risk to our business, taxpayers, and the housing finance system.
- As of Sept. 30, 2016, approximately 21% of the loans in our single-family conventional guaranty book of business measured by unpaid principal balance were covered by a Connecticut Avenue Securities™ or Credit Insurance Risk Transfer™ transaction.

Treasury Draws and Dividend Payments

Fannie Mae has paid Treasury $151.4 billion in dividends for periods through September 30, 2016, and expects to have paid Treasury a total of $154.4 billion in dividends by December 31, 2016.





(1) Treasury draw requests are shown in the period for which requested and do not include the initial $1.0 billion liquidation preference of Fannie Mae's senior preferred stock, for which Fannie Mae did not receive any cash proceeds. The payment of dividends does not offset prior Treasury draws.

(2) Fannie Mae expects to pay a dividend for the fourth quarter of 2016 calculated based on our net worth of $4.2 billion as of September 30, 2016 less the applicable capital reserve amount of $1.2 billion.

(3) Amounts may not sum due to rounding.

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This report includes our expectations regarding our future dividend payments to Treasury and our future credit risk transfer transactions. These expectations are forward-looking statements based on our current assumptions regarding numerous factors. Our actual results and future expectations may differ materially from our current expectations as a result of many factors, including those discussed in the "Risk Factors" section of and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2015 and in our quarterly report on Form 10-Q for the quarter ended September 30, 2016. These forward-looking statements are representative only as of the date they are made, and we undertake no obligation to update any forward-looking statement as a result of new information, future events or otherwise, except as required by the federal securities laws.